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Book Review: New Rules for the New Economy

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Army Acquisition Corps Reading List

LTG Paul J. Kern, Military Deputy to the Assistant Secretary of the Army for Acquisition, Logistics and Technology and Director of the Army Acquisition Corps (AAC), recommends the reading list shown below for AAC members. The Army AL&T editorial office welcomes book reviews on these publications. Please note that we have already received reviews of *Built to Last: Successful Habits of Visionary Companies*, by James C. Collins and Jerry I. Porras; *Hope Is Not a Method: What Business Leaders Can Learn From America's Army*, by Gordon R. Sullivan and Michael V. Harper; and *Leading Change*, by John P. Kotter. To preclude duplicate submissions, contact the Army AL&T editorial office prior to sending your book review. The phone number is (703) 805-1035 or DSN 655-1035. The e-mail address is bleicheh@aaesa.belvoir.army.mil.

- *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail*, Clayton M. Christensen, Boston: Harvard Business School Press, 1997
- *The Social Life Of Information*, John Seely Brown and Paul Duguid, Boston: Harvard Business School Press, 2000
- *Being Digital*, Nicholas Negroponte (edited by Marty Asher), Random House, January 1995
- *Built to Last: Successful Habits of Visionary Companies*, James C. Collins and Jerry I. Porras, HarperCollins, October 1994
- *Hope Is Not a Method: What Business Leaders Can Learn From America's Army*, Gordon R. Sullivan and Michael V. Harper, Broadway Books, October 1997
- *Leading Change*, John P. Kotter, Boston: Harvard Business School Press, August 1996
- *Sacred Cows Make the Best Hamburger*, JoAnn Roberts, Warner Books, January 1993
- *Unleashing The Killer App: Digital Strategies For Market Dominance*, Larry Downes and Chunka Mui, Boston: Harvard Business School Press, April 1998

New Rules for the New Economy

By Kevin Kelly, New York:
Penguin Books, 1998.

Reviewed by Dr. Robert J. Bunker, Fellow, Institute of Land Warfare, Association of the United States Army.

Kevin Kelly, Editor-at-Large for *Wired* magazine, has years of experience with cutting-edge technologies and monitoring the hacker community. *New Rules for the New Economy* follows in the tradition of his earlier *Out of Control* as a groundbreaking work that addresses the influences of the new economy. This book is a must-read for those engaged in projects that focus on networked military forces and the revolutions in business and logistical affairs that will ultimately support those forces. The book also provides insight into establishing an eventual homeland Defense network based on experiments with the Terrorism Early Warning (TEW) Group initiative.

An alternative title for this stimulating work could be "The Care and Feeding of Networks" because of its practical emphasis in this regard. Because of its insights into the dynamics of networks, this book makes for a strong companion to Nichiporuk and Builders' *Information Technologies and the Future of Land Warfare*. These 10 new "Rules for the New Economy" comprise the focal point of each chapter of the book. Kelly identifies them as follows:

- 1) Embrace the Swarm. As power flows away from the center, the competitive advantage belongs to those who learn how to embrace decentralized points of control.
- 2) Increasing Returns. As the number of connections between people and things add up, the consequences of those connections multiply out even faster, so that initial successes aren't self-limiting, but self-feeding.
- 3) Plentitude, Not Scarcity. As manufacturing techniques perfect the art of making copies plentiful, value is carried by abundance, rather than scarcity, inverting traditional business propositions.
- 4) Follow the Free. As resource scarcity gives way to abundance, generosity begets wealth. Following the free rehearses the inevitable fall of prices, and takes advantage of the only true scarcity: human attention.
- 5) Feed the Web First. As networks entangle all commerce, a firm's primary focus shifts from maximizing the firm's value to maximizing the network's value. Unless the net survives, the firm perishes.
- 6) Let Go at the Top. As innovation accelerates, abandoning the highly successful in order to escape from its eventual obsolescence becomes the most difficult and yet most essential task.
- 7) From Places to Spaces. As physical proximity (place) is replaced by multiple interactions with anything, anytime, anywhere (space), the opportunities for intermediaries, middlemen, and mid-size niches expand greatly.
- 8) No Harmony, All Flux. As turbulence and instability become the norm in business, the most effective survival stance is a constant but highly selective disruption that we call innovation.
- 9) Relationship Tech. As the soft trumps the hard, the most powerful technologies are those that enhance, amplify, extend, augment, distill, recall, expand, and develop soft relationships of all types.
- 10) Opportunities Before Efficiencies. As fortunes are made by training machines to be ever more efficient, there is yet far greater wealth to be had by unleashing the inefficient discovery and creation of new opportunities.

Rule 7, From Places to Spaces, and rule 9, Relationship Tech, are the most significant dynamics mentioned because they conceptually support and are interrelated to the proposed "Bond-Relationship Targeting" (BRT) warfighting concept. This operational concept viewed from the prism of Kelly's work focuses on the spaces between things and R (Relationship)-Technology for targeting purposes. This one insight alone is of great value to advanced battlespace researchers.

A very useful bibliography is also included that lists 36 texts and Web sites related to networks and economics (business). The work can be finished in one sitting, but two to three reads are required to get the most out of the concepts and examples it provides. One of the most memorable examples used in the work

is that of early fax machines and how their value increased as the network (number) of fax machines increased. While not as profound as the "pin factory" example in Adam Smith's *Wealth of Nations*, the fax machine example shows how we are leaving an older economy in favor of one that differs greatly from the industrial capitalism and resultant mass public warfare of the past 2 centuries.

The Kinder, Gentler Military: Can America's Gender-Neutral Fighting Force Still Win Wars?

By Stephanie Gutmann, A Lisa Drew Book (Scribner), 2000

Reviewed by J. Michael Brower, a former analyst in the Army Secretariat at the Pentagon from 1991 to 1997 and an Air Force veteran.

Every journalist must inevitably heed the knock of opportunity. In Stephanie Gutmann's systematic trashing of the concept of women in the Armed Forces, that opportunity is the knocking down of her own sex. A *cause celebre* for conservatives with a penchant for the carelessly anecdotal, *The Kinder, Gentler Military* is a mocking caricature of female contributions to the American military. This book refutes the influences of technology on women-at-arms. In 300 pages of stepping repeatedly on the same rake, Gutmann creates a shrill, semiliterate condemnation of "girls" invading "this man's military."

This brutal banality of a book begins with nonmilitary veteran reporter Gutmann at Fort Jackson, SC, faulting the performance of women in basic training. The narrative then staggers into a tirade over the standard-lowering influence women have on military skills and decries pregnancy aboard aircraft carriers and other Navy vessels. Gutmann dumps morale problems, operational failures, technical difficulties, gender-related litigiousness, Tailhook '91, sexual assaults, and all forms of bad luck on the doorstep of females in the military, imperially concluding that we should throw more than half of them out of the Services. "There will be an outcry about 'taking a step back,' about discrimination," intones the author solemnly, "about lack of opportunity. The only appropriate answer is 'Too bad.'" This recommendation is given despite the author's concession only a few pages before that "women became an indispensable part of the U.S. Armed Forces a long time ago."

Gutmann is hostile to the world's historical paradigm, which integrates women into all areas of the world's militaries, including combat and submarine duty. Her book fails to recognize, and is actually too juvenile to even consider, the economic roots of the women's equality movement. The book overlooks that the economic gains of women and subsequent status have translated into political power that inexorably propels Servicewomen to the highest ranks in the military. She applauds that the question of combat will restrain them a while longer. Gutmann is utterly blind to the fact that what was once in the military a "privilege" for women (serving in their Nation's Armed Forces) is evolving into a *droit de femme*. Despite the hundreds of books and military studies to the contrary, Gutmann concludes that Servicewomen have helped undermine this readiness: "It was once a happy marriage: young

men who like to risk their bodies and shoot and blow things up, and a society that was plenty happy to let them do it ... it served a special social good—besides keeping us free." Women, we are to understand, have ruined all that by systematically destroying society's angry young men.

Gutmann's assessment is that military "morale is at rock bottom," and has several "recommendations" for improvement (hold onto your seats!):

- Increase the number of "high school dropouts we currently accept" in place of women;
- Separate the genders in boot camp (observes Gutmann, "Maybe we could keep more women in drill sergeant school if they faced the prospect of drilling ... women only.");
- Reform gender integration by endorsing the concept that "The military world does favor men";
- Permit more criticism in the ranks of "gender-integrated training" and similar questioning of equality policy;
- Issue the Tailhook Association "an official apology" from the Commander in Chief and the Joint Chiefs regarding fallout from Tailhook '91;
- Revitalize the Peace Corps and distinguish "peacekeepers" from "warriors";
- Demand that all military Services be more like the Marines ("The Marines: Live like them") "because they are generally doing all right."

Such a belletristic, half-baked, and sexist *his-story* will eventually find its way off the few bookshelves it degrades and thankfully into the ashbin of literary history. *The Kinder, Gentler Military* is recommended for anyone seeking the obscurantist, reactionary, historically twisted, and hopelessly benighted view of Servicewomen in the U.S. military.

The Way of the Warrior: Business Tactics and Techniques from History's Twelve Greatest Generals

By James Dunnigan and Daniel Masterson, St. Martin's Griffin, 1998

Reviewed by LTC Kenneth H. Rose (USA, Ret.), Tidewater-Richmond Area Manager for WPI in Hampton, VA, and former member of the Army Acquisition Corps.

"We should run the Army more like a business" is not an uncommon statement, especially in the logistics and acquisition domains. The other side of the coin is the suggestion that businesses should be run more like the Army. This thought has been the subject of a variety of recent books with titles ranging from the somewhat stodgy to the downright silly. Among the pack, *The Way of the Warrior: Business Tactics and Techniques from History's Twelve Greatest Generals*, presents a fresh, engaging approach that is practical, instructive, and direct.

Authors James Dunnigan and Daniel Masterson present a comprehensive view of military leadership and management across the ages. They cite examples from antiquity (Alexander, Julius Caesar, Charlemagne), recent history (Genghis Khan, Edward III